

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1160 - HB 1507**

March 12, 2023

**SUMMARY OF BILL:** Increases the amount of damages for which the state may be liable in causes of action arising in tort from \$300,000 per claimant and \$1,000,000 per occurrence to \$1,000,000 per claimant.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$420,000/FY23-24 and Subsequent Years  
/Risk Management Fund**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 9-8-307(e), the State is only liable for damages up to the sum of \$300,000 per claimant and \$1,000,000 per occurrence in personal injury claims against the State. The proposed legislation removes the reference to occurrence and increases the maximum liability to \$1,000,000 per claimant.
- Increasing the per claimant liability maximum will increase state expenditures, paid from the Department of Treasury's Risk Management Fund.
- Based on information provided by the Department of Treasury, three claims have been settled with the state paying the claimant the maximum \$300,000 over the past five years.
- For the purposes of this analysis, it is assumed each of these claimants would be awarded the \$1,000,000 maximum had the proposed legislation been enacted.
- It is further assumed there will be three claims settled with the maximum amount awarded over each five-year period; therefore, the estimated annualized increase in state expenditures from the Risk Management Fund will be \$420,000  $\{[(\$1,000,000 \times 3 \text{ claimants}) - (\$300,000 \times 3 \text{ claimants})] / 5\}$  in FY23-24 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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